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#### ARTICLES:

- (1) Prime Minister Abe's trip of Middle East, focuses on soft resource diplomacy

MAINICHI (Page 3) (Excerpts)  
May 2, 2007

Prime Minister Shinzo Abe's visit to Middle Eastern countries is apparently aimed at laying the groundwork to boost ties with oil producing countries, as seen from 180 business leaders accompanying him. Keeping in mind China and other countries now joining competition for energy resources, Abe has taken a soft resource diplomatic approach to establish mutual relations with these countries by offering assistance for their efforts for industry diversification and in the environment and education sectors.

Tour with 180 Keidanren members as showcase

About 180 business leaders are accompanying Prime Minister Abe. The business delegation is composed of members of Nihon Keidanren (Japan Business Federation) and chaired by its Chairman Fujio Mitarai. Representatives from industries other than energy are also joining the delegation, such as Mitsubishi-Tokyo UFJ Bank Chairman Shigemitsu Miki; Supreme Advisor to Sony Corp. Nobuyuki Idei; Orix Chairman Yoshihiko Miyauchi; Nomura Holdings Chairman Junichi Ujiie; and Hitachi President Kazuo Furukawa.

Keidanren Vice Chairman Fumiaki Watari, Nippon Oil Corp. Chairman, said in a business forum the delegation held in Saudi Arabia on the evening of April 28, local time: "In order to upgrade industries in Saudi Arabia, it is necessary to promote technical cooperation and cultivate human resources. I think it is imperative (for Japan and Saudi Arabia) to establish a strategic interdependent relationship by making efforts to achieve these in a comprehensive way." In a dinner party hosted by the king that night, Chairman Mitarai and other business leaders were also invited, indicating Saudi Arabia's hearty welcome. On April 29, the delegates held a forum in the United Arab Emirates and exchanged views with representatives from the government and local companies on technical cooperation. They held a luncheon meeting in Qatar on May 1.

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The Prime Minister's Office wants to make investment by private firms as a showcase of its soft resource diplomacy, while companies are eager to find business chances in Middle Eastern countries, which are aiming to modernize their economies by emerging from dependence only on oil. Both sides' motives coincided, and eventually a large-scale delegation was formed.

(2) Interview with METI Minister Akira Amari: Public, private sectors should jointly engage in strategic negotiations on energy resource security

YOMIURI (Page 7) (Full)  
April 30, 2007

Global competition for energy resources is heating up, reflecting recent rising energy prices. Under such a situation, the Japanese government and the private sector have jointly launched a resource diplomacy.

-- What was the main purpose of your recent visits to Kazakhstan and other Central Asian countries?

Kazakhstan has the second largest volume of uranium reserves in the world. Among Japan's energy imports, the ratio of uranium remains low. I would like to see imports of uranium increase. Kazakhstan also possesses part of the nuclear-fuel technology it developed when it was part of the former Soviet Union. In this area, too, Japan will be able to cooperate with Kazakhstan, and it should be possible for the two countries to establish a complementary relationship in uranium fuel-cycle strategies.

-- Your recent visit was part of resource diplomacy aimed at securing uranium?

In the competition for energy, the focus has shifted from oil to uranium. Several years ago, some said, "There is plenty of uranium." Now, though, there are an increasing number of nuclear power plants across the world, bolstering competition for uranium. The fierce competition has caused uranium prices to soar to a level 16 times

more than before.

-- What do you think of Japan's energy strategy?

In the past, Japan was able to change its strategy for short periods of time in response to changes in current circumstances. For instance, although Japan had regard oil as a strategic product, it began to call it a market commodity. Now that oil-producing countries have strengthened their hold over concession rights, Japan considers oil as a strategic product again. The government has prepared no medium to long-term strategy. That is why some lawmakers, including me, have made efforts to enact the Basic Energy Policy Law, offering the nation an energy strategy.

-- What role has the government played in securing energy resources?

The private sector should be in charge, in principle, in procuring resources, but matters do not always go smoothly only under the influence of the private sector. So the government gradually has begun to take a strategic approach. For instance, it has begun to strategically link official development assistance (ODA) in order to secure energy resources, as well as a to include a

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resource-procurement provision in free trade agreements (FTAs).

-- As China and India are strengthening their economic presence, competition for resources is intensifying. What response measures has Japan taken?

There are two kinds of countries: Those eager to secure resources overseas without regard to appearances, like China; and others willing to act in compliance with international rules, like Japan. On the provision of ODA funds to oil-producing countries, as well, there are the rules set by the Organization for Economic Cooperation and Development (OECD). To be sure, countries that act with a gentlemanlike manner in accordance with rules are placed in a disadvantageous position.

On the other hand, Japan has the advantage of its technological power. It has the best technological capability to save energy in the world. Japan can make use of its energy-saving technologies in negotiations.

-- What is another strong point of Japan, besides energy-saving technologies?

Japan has superior technologies related to nuclear power generation. Japan constructed the largest number of nuclear power plants over the past decade. Britain and Scandinavia have begun to review their nuclear power policy. The United States and China have also put their efforts into nuclear power generation. Many Japanese companies now possess technology related to constructing nuclear power plants.

In the Sakhalin-2 project to exploit oil and natural gas in Russia, Japanese companies' were deprived of their concession rights. Do you think the government should have been involved in the negotiations?

The government offered indirect support behind the scenes. It is necessary for the government and the private sector to cooperate in procuring energy resources. For example, if the government is indirectly involved in projects through investment or trade insurance, the government as an involved party will be given authority to speak out. When two countries cooperate on nuclear power, their governments are required to sign an agreement, so when a problem occurs between the private sectors of both sides, the governments will be able to offer a helping hand in resolving the problem.

-- What response is Japan going to take to the recent moves among oil producing countries to keep and develop resources existing in their own countries?

Oil consuming countries should join hands. Japan, the US, China, South Korea, and India held a meeting last December. They decided to regularly hold meetings. These five countries consume almost half of the oil used in the world by volume. If these countries come together, they will be able to exert influence. If the five cooperate to thoroughly promote the use of nuclear power and solar energy, they will be able to say to oil-producing countries, "We no longer need oil."

(3) Enhance Japan's presence through fair approach

Commentary by editorial committee member Hiroshi Fuse

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MAINICHI (Page 2) (Excerpts)  
May 2, 2007

Oil-producing Arab countries in the Persian Gulf area, which Prime Minister Shinzo Abe has just visited, are called an "El Dorado floating on oil." But even in the Middle East, there is huge difference between Iraq and the Palestinian Authority, which can be compared to a bloody wilderness, and the Gulf countries, which project the image of having streets filled with gold and silver treasures.

The oil-rich Gulf area has grown into the world's financial center. The event symbolic of this phenomenon is that Halliburton Energy Services, a leading US energy company, in mid-March announced a plan to establish a new head office in Dubai in the United Arab Emirates (UAE). Vice President Dick Cheney once served as the CEO of that company. The decision to transfer the functions of the head office abroad encapsulates the attractiveness of the Gulf area, which in developing aspires to become the "capital of the world."

International competition over the Middle East's "El Dorado" is becoming fierce. The prime minister has visited Saudi Arabia, Kuwait, the UAE and Qatar. These countries either have royal governments or are emirates and are traditionally pro-American. Saudi Arabia, where the holy cities of Mecca and Medina are located, detests socialism as being atheist. It was not until the 1990s that the Saudis established diplomatic ties with the USSR and China. However, China and Russia are now increasing their presence in the Gulf area.

When Saudi Arabian King Abdallah in January last year made his first foreign trip since assuming the throne, he chose China as the destination. In response, Chinese President Hu Jintao visited Saudi Arabia to strengthen ties with it. The same year, Crown Prince Sultan visited Japan. It is obvious that Saudi Arabia is attaching more importance to its ties with China.

Russian President Putin visited the Gulf nations this February, and South Korean President Roh Moo Hyun in March. Putin offered cooperation to Saudi Arabia in such areas as nuclear power and exploitation of outer space. Russia is considering establishing an organization for natural gas exporting countries along with Iran and Qatar.

China has established oil-drilling bases in Africa and Latin America. Some call China's move the "new colonialism." The Shanghai Cooperation Organization led by China and Russia is continuing to grow, giving the impression that global multi-polarization is in progress in the energy area.

In short, moves to court oil-producing countries are continuing with an eye on the future depletion of oil resources. It is not easy for Japan to get by in such an age. It is only natural thus for a major delegation of members of the Japan Business Federation (Nippon Keidanren) to join the prime minister in his visit to the Middle East in order to establish multi-layered relationships with the Gulf nations. The situation challenges Japan's resourcefulness, business acumen, and mettle.

Having pride, Arabs tend to dislike blindly following other

countries. The Japanese government in 1973 adopted a pro-Arab Middle East policy in 1973. However, Japan's once friendly relations with Arab countries have declined since the start of the Iraq war in

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¶2003. Criticism of Japan as blindly following the US has begun to surface.

Now that the US' policy toward the Middle East apparently has reached the end of the road, Japan needs to restore its image of being a "fair country," by promoting a diplomacy based on its own values. A pro-American Saudi Arabia at times confronts the US over the Palestine problem or the Iraqi situation. That is because these are issues that concern the stability of the Gulf nations.

"El Dorado" is not without its own problems. If Japan makes cooperation with the US an immovable standard in dealing with various issues concerning the Middle East, it will find it difficult to enhance its presence in the Gulf area, as it tries to secure for itself a stable oil supply.

mythical city of gold

(4) F-22 flights total over 580; Commander says "noteworthy record"; Increased noise also stressed as "actual achievement"

RYUKYU SHIMPO (Page 1) (Full)  
April 28, 2007

The F-22A Raptor, a state-of-the-art fighter jet of the US Air Force, participated in Japan-US joint training exercises for the first time. USAF Lt. Col. Wade Tolliver, who commands the 27th Expeditionary Fighter Squadron, an F-22 unit, responded to press pool coverage at the US Kadena Air Base yesterday afternoon. Lt. Col. Tolliver revealed that his F-22A Raptor unit has made more than 580 flights during its deployment to Okinawa from February this year. "It's a noteworthy record for only 12 fighters." With this, he boasted of the actual results of the flights.

There has been an increase in the frequency of aircraft noise around the Kadena airbase since the F-22s arrived there. They came from outside Okinawa for deployment despite the local community's suffering from aircraft noise. Local communities in the base's vicinity will likely be disgusted even more by the way fighter jets have been deployed to the base.

"It was a very good opportunity to build alliance ties between Japan and the United States," Lt. Col. Tolliver said about the joint training. "I hope what the ASDF got out of it was great, too," he added. Asked about future training plans, he said: "We have no plans to conduct more joint training during the remaining period of our stay in Okinawa. But in the future, I hope we can."

The 27th Fighter Squadron-currently deployed to Kadena-is the first F-22 unit deployed overseas. "We've made more than 580 flights with only 12 fighters," Lt. Col. Tolliver said. He also said, "We carried out joint training with the US forces' F-15 and F-18 fighters and Harrier attack fighters, and we were able to deepen our mutual understanding." However, he said he has not been informed of anything in detail about how long his F-22 unit will be deployed to Okinawa, though he had heard his unit would be in Okinawa during May.

Yesterday's joint training was conducted with the participation of four F-15 fighters and four F-4 fighters from the ASDF and two F-15 fighters and two F-22 fighters from the US forces.

(5) Coming up with global warming preventive measures is pressing

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issue (part 2): Precariousness of reliance on emissions rights trading; Bulk purchases of rights could hamper energy-conserving

efforts

NIHON KEIZAI (Page 5) (Excerpts)  
April 26, 2007

Staff members of the New Energy and Industrial Technology Development Organization (NEDO) held negotiations with trading companies early this year, entrusted by the government. "Can you make it a little cheaper," one NEDO negotiator said during the talks, which were held in a room at NEDO, located in Kawasaki City, Kanagawa Prefecture. The article for sale was global warming gas emissions rights owned by the companies. On April 13, the government announced that it had signed contracts with five trading companies, including Marubeni Corp. to purchase 6.38 million tons of emissions rights.

More than 190 billion yen needed

The cost of the purchases of emissions rights is approximately 1,900 yen per ton. According to the government's initial plan, it plans to cover 1.6% of the 6% reduction target with the purchases of such rights. The estimate is that it would be necessary for it to purchase approximately 100 million tons by 2012 at the cost of about 190 billion yen.

Chances are that the government may find it necessary to purchase such rights more than the amount estimated in the original plan due to the delay in reduction efforts at offices and households. The government has secured about 40 billion yen for that purpose for this fiscal year, more than three times the amount appropriated for fiscal 2006. However, one senior government official said, "The budget may not be sufficient."

The government had at first estimated that promoting forestation would largely boost the absorption of global warming gases by forests, enabling it to address the 6% reduction target. However, forestation and tree thinning efforts have not made headway as planned, giving rise to increased dependence on the purchases of emissions rights trade.

The cost of the purchases of emissions rights is less than one-tenth of the cost needed to cut the same amount of global warming gases through the introduction of technical innovation and energy-conserving facilities. The low cost is one of the attractive points of emissions rights. Japan is rushing to obtain emissions rights through joint effort between government and the private sector due to dwindling room for domestic efforts for energy conservation. The steel and electric industries have invested about 10 billion yen a year to cover the amount falling short of the target. Banks and trading companies have made inroads into the trading market with the aim of reselling such rights.

However, if the government and companies get used to the bulk purchases of low-cost emissions rights and opt to obtain such rights in an easy-going manner, it could put a dent on the motivation to conserve energy consumption on the domestic front.

Opposition to proposal for setting up framework

Some members of the government's advisory council urged that a strict method similar to that of the EU, which imposes an emissions

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framework on each company and punishes those that have violated the rule, should be adopted. This is a method of urging companies to cut global warming gas emissions, combining strengthened rules and emissions rights trading. However, the Ministry of Economy, Trade and Industry (METI) and the industrial sector are against the idea, noting that if such a system were introduced, companies would transfer their plants abroad to avoid strict rules, which could lead to industrial hollowing-out. It will likely take time to reach a consensus.

If Japan continues to rely on emissions rights trading without any principles, it could delay the process of creating post-Kyoto

protocol rules. Yoichi Kaya, executive director of the Research Center of Innovative Technology for the Earth, warned, "Emissions rights trading would be effective in the immediate term. However, making effort to shift energy resources is essential for a fundamental solution." It is absolutely necessary for Japan to determine the international situation over measures to deal with global warming and the reality it is facing and then decide on its policy quickly.

(6) Yohei Kono should admit that the political decision on "comfort women" was a mistake

SANKEI (Page 5) (Full)  
May 2, 2007

Shinzo Abe's first visit to the United States as prime minister was taken as a trip for him to make an "apology" for the comfort women issue. We wonder why the person who made the prime minister play such a humiliating role refuses to talk about his own political responsibility. That person is House of Representatives Speaker Yohei Kono.

It is widely known that the Kono Statement was issued by a political decision based on the request by South Korean authorities, who insisted that the bilateral dispute over history would be resolved if Japan admitted there was "coercion," without confirming whether the government had actually coerced foreign women (to become comfort women).

The comfort-women resolution submitted to the US House of Representatives by Congressman Mike Honda was drafted based on the Kono Statement. Should the Congress adopt the resolution, the Japan-US relations will be immeasurably damaged, even though the resolution is nonbinding. We were amazed when Mike Honda described the comfort women the "largest example of human trafficking in the 20th century." Since Honda is now known throughout the world, he will without a doubt be reelected. We see this as an odious saga of a politician who has placed priority on holding on to his seat in the Congress no matter how much he slanders another country.

Because of Prime Minister Abe's visit, the situation has changed in the United States. In order to prevent the resolution from being adopted, however, Kono should admit that the political decision made at that time was a mistake (but he doesn't necessarily have to announce it). His actions would be complete if he stepped down from the Lower House speaker's post and gave up his Diet seat. If so, the US government's reaction would be completely changed. Kono would then be able to leave his mark on history as a former LDP president who saved the nation from a crisis.

Major European and US news media (and Japanese correspondents) show

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a woeful lack of study. The Chinese and South Korean media think that hurling abuse purposely is reporting "news." That's nonsense. Chinese and South Korean media do not issue newspapers, but they publish "organ papers." Therefore, what we need to do is basically ignore them.

I had no way to know or understand how terrible the media in democratic European countries and the United States are. If you add something about "Japan bashing," it sells. The western media lack the capability to consider how "war and sex" were handled in their own countries.

It is only natural to give serious consideration to the many women who were forced into tragic situations during the war. However, many correspondents do now know even the basic facts: There existed legalized prostitution run by agents; soldiers paid money to the comfort women; and since there was a hygienic safety problem, the military for that reason oversaw the wartime brothels. This is the basis for the worldwide scale "crisis in the media."

I have been a newspaper reporter for about some 30 years. I was taught that writing articles based on the facts is a very basic rule

of news reporting. "Hunting down comfort women," "sexual slaves" and the like were fictional productions. If the European and US media come to realize that fact, they should issue "corrections." This is also a basic principle for the media.

DONOVAN